

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF  
CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's own motion for the purpose of  
considering policies and guidelines regarding the  
allocation of gains from sales of energy,  
telecommunications, and water utility assets.

Rulemaking 04-09-003  
(Filed September 2, 2004)

TO: ALL PARTIES OF RECORD IN THE ABOVE-CAPTIONED PROCEEDING

**NOTICE OF AVAILABILITY**

The alternate draft decision of Commissioner Chong has been made available at  
[http://www.cpuc.ca.gov/PUBLISHED/COMMENT\\_DECISION/54756.htm](http://www.cpuc.ca.gov/PUBLISHED/COMMENT_DECISION/54756.htm)  
on March 28, 2006.

Pub. Util. Code § 311(e) requires that the alternate item be accompanied by a  
digest that clearly explains the substantive revisions to the proposed decision.  
The digest of the alternate proposed decision is attached.

Any recipient of this Notice of Availability who is not receiving service by  
electronic mail in this proceeding or who is unable to access the link to the  
Commission's website given above may request a paper copy of the alternate  
proposed decision from the Commission's Central Files Office, at (415) 703-2045;  
fax number (415) 703-2263; e-mail [cen@cpuc.ca.gov](mailto:cen@cpuc.ca.gov).

**Comment and Review Period**

The alternate proposed decision will not appear on the Commission's agenda for  
at least 30 days after the date it is mailed. The Commission may act then, or it  
may postpone action until later. When the Commission acts on this agenda item,

it may adopt all or part of the decision as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments and reply comments on the alternate proposed decision as provided in Pub. Util. Code § 311(e) and in Article 19 of the Commission's "Rules of Practice and Procedure," accessible on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov). Comments are due on April 17, 2006. Reply comments are due April 24.

Pursuant to Rule 77.3 opening comments shall not exceed 15 pages.

Comments and reply comments must be filed with the Commission's Docket Office. Comments should be served on parties to this proceeding in accordance with Rules 2.3 and 2.3.1. Electronic copies of comments should be sent to ALJ Sarah Thomas at [srt@cpuc.ca.gov](mailto:srt@cpuc.ca.gov), Commissioner Chong at [crc@cpuc.ca.gov](mailto:crc@cpuc.ca.gov) and Commissioner Chong's advisor Timothy J. Sullivan at [tjs@cpuc.ca.gov](mailto:tjs@cpuc.ca.gov). All parties must serve hard copies on the ALJ, the assigned Commissioner, and Commissioner Chong, and for that purpose I suggest hand delivery, overnight mail or other expeditious methods of service. The current service list for this proceeding is available on the Commission's website, [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

Dated March 28, 2006, at San Francisco, California.

/s/ ANGELA K. MINKIN

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Angela K. Minkin, Chief  
Administrative Law Judge

ANG: cvm

Attachment

## ATTACHMENT

### **R.04-09-003: Order Instituting Rulemaking on the Commission's own motion for the purpose of considering policies and guidelines regarding the allocation of gains from sales of energy, telecommunications, and water assets**

Pursuant to Pub. Util. Code Sec. 311(e), the digest of the substantive differences between the draft decision (mailed on November 15, 2005) and the alternate draft decision (mailed on March 28, 2006) is as follows:

For routine sales of utility assets, the Draft Decision allocates gains on sale as follows: Depreciable Property 100% to ratepayers; non-depreciable property 67% to ratepayers and the rest to shareholders.

For routine sales of utility assets, the Draft Alternate allocates gains on sale 50% to ratepayers and 50% to shareholders for both depreciable and non-depreciable property.

Under the Draft Decision, where there is a loss of less than \$50 million upon sale of property, the general rule is that 100% of the loss for depreciable property, and 67% of the loss for non-depreciable property will be borne by ratepayers.

Under the Draft Alternate, where there is a loss of less than \$50 million upon sale of property, the general rule is that 50% of the loss will be borne by ratepayers for both depreciable and non-depreciable property,

Under the Draft Alternate, gains and losses from the routine retirement and salvage of depreciable property are allocated 100% to ratepayers (the same result as reached under the Draft Decision).

(END ATTACHMENT)